

REPORT TO: SPECIAL POLICY & RESOURCES COMMITTEE – 26 SEPTEMBER 2011

REPORT ON: DISCRETIONARY EXPENDITURE REVIEW

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 432-2011

1 PURPOSE OF REPORT

- 1.1 To appraise the Policy & Resources Committee of the findings of the recent review of Discretionary Expenditure, and to make appropriate recommendations.

2 RECOMMENDATIONS

The Policy & Resources Committee is asked to:

- 2.1 note the contents of this report
- 2.2 agree that the savings identified in this report are implemented with effect from 1 October 2011 and incorporated into the Provisional 2012/2013 Revenue Budget

3 FINANCIAL IMPLICATIONS

- 3.1 This review has identified full-year savings of £265,000 of which £196,000 are applicable to General Fund Services. These savings will be incorporated into the Provisional 2012/2013 Revenue Budget and will alleviate, to some extent, the pressure to identify savings in key front-line services.
- 3.2 The implementation of these savings with effect from 1 October 2011 will result in part-year savings accruing in 2011/2012.

4 BACKGROUND

- 4.1 The Policy & Resources Committee on 23 August 2010 approved report 441-2010 on Changing for the Future, including a schedule of individual projects to be undertaken. One of these projects is a Discretionary Expenditure Review.
- 4.2 The Changing for the Future Programme involves, amongst other things, a reduction in employee numbers and a review of the Council's overall management and organisational structure. This, in turn, offers a tactical opportunity to review certain areas of discretionary expenditure with a view to identifying budget savings for 2012/2013 and beyond. For the purposes of this review, the term "discretionary" is defined to include expenditure that is not directly:
- required by statute
 - core to the Council's key objectives
 - impacting on key front-line services
 - impacting on key performance measures
 - otherwise of a high priority
- 4.3 The Discretionary Expenditure Review covered the following six budget heads:
- Staff Training and Conferences etc
 - Furniture, Fixtures and Fittings
 - Newspapers, Periodicals and Publications
 - Hospitality
 - Professional and Other Subscriptions
 - Council Publications (Hardcopy)

In each case, a number of factors were identified that should enable the Council to achieve savings and efficiencies without materially compromising the level and quality of front-line service provision. Some of the more prominent factors that were relevant across a number of the budget heads being reviewed were:

- lower numbers of staff due to voluntary early retirement and voluntary redundancy schemes
- better use of existing Council resources e.g. staff, property, IT etc
- greater use of online resources
- the closure of Tayside House, the move to Dundee House and the wider property rationalisation programme
- better value being achieved through improved procurement practices
- modernisation of Council services as part of the Changing for the Future Programme
- lower priority given to future spend in these areas compared to spend on front-line services
- more prudent use of remaining budgets in these areas

4.4 After taking into consideration the factors outlined above, a percentage target saving was identified and agreed for each budget head being reviewed. This percentage target saving was then applied against the current level of budget / actual spend (as detailed in Appendix A). The resultant savings figures were then discussed with departments and adjusted where deemed necessary, in light of the feedback received.

4.5 It should be noted that care has been taken to minimise the impact of the overall discretionary expenditure review on front-line services. For example, targeted saving levels for Furniture, Fixtures and Fittings take cognisance of budget heads for expenditure in homeless accommodation and residential care homes for both older people and children.

4.6 The outcome of the review, in terms of agreed budget savings, is summarised at Appendix B. Savings totalling £265,000 in a full financial year have been identified, of which £196,000 are applicable to General Fund Services. These savings will be incorporated into the Provisional 2012/2013 Revenue Budget and will alleviate, to some extent, the pressure to identify savings in key front-line services. By definition, the savings should be in low priority / low impact areas.

4.7 The savings will be implemented with effect from 1 October 2011, resulting in part-year savings in 2011/2012.

5 POLICY IMPLICATIONS

5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, and Equality Impact Assessment.

There are no major issues.

6 CONSULTATION

6.1 All Chief Officers have been consulted in the preparation of this report.

7 BACKGROUND PAPERS

7.1 None

CHANGING FOR THE FUTURE PROGRAMME

DISCRETIONARY EXPENDITURE REVIEW

Current Budget / Spend Levels

<u>Department / Division</u>	<u>Staff</u>	<u>Furniture,</u>	<u>Newspapers,</u>		<u>Professional</u>	<u>Council</u>	<u>Total</u>
	<u>Training,</u> <u>Conferences</u> <u>etc</u>	<u>Fixtures &</u> <u>Fittings</u>	<u>Periodicals &</u> <u>Publications</u>	<u>Hospitality</u>	<u>& Other</u> <u>Subscriptions</u>	<u>Publications</u> <u>(Hardcopy)</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Education	498	31	1	-	-	43	573
Social Work	264	67	10	8	6	40	395
City Development	84	4	22	7	12	95	224
Leisure & Communities	112	3	56	10	7	69	257
Waste Management	26	18	-	-	5	36	85
EHTS	18	2	2	-	13	4	39
Chief Executive	4	1	1	5	3	10	24
Press Office	1	-	2	-	3	20	26
Personnel	108	2	8	-	-	-	118
Information Technology	30	1	3	-	-	2	36
Admin & Legal	16	1	13	3	17	7	57
Architectural Services	26	7	7	2	-	-	42
Finance General	22	1	14	4	-	18	59
Fairer Scotland Fund	8	-	-	-	-	-	8
Design & Print Unit	1	-	-	-	-	-	1
Employment Unit	5	-	-	-	-	3	8
NEC Project	4	-	-	-	-	6	10
Capital Projects Team	1	-	-	-	-	-	1
Electoral Registration	3	-	-	-	-	1	4
Registrar	1	-	-	-	-	-	1
Scientific Services	6	-	-	-	-	-	6
Finance Revenues	32	1	5	2	6	11	57
Other Housing	-	1	-	-	-	4	5
Total General Fund	1,270	140	144	41	72	369	2,036
Housing Revenue Account	110	213	1	-	-	69	393
Dundee Contract Services	30	25	1	-	-	-	56
Grand Total	1,410	378	146	41	72	438	2,485

CHANGING FOR THE FUTURE PROGRAMME

DISCRETIONARY EXPENDITURE REVIEW

Identified Budget Savings

<u>Department / Division</u>	<u>Staff</u>	<u>Furniture.</u>	<u>Newspapers.</u>		<u>Professional</u>	<u>Council</u>	<u>Total</u>
	<u>Conferences</u>	<u>Fixtures & Fittings</u>	<u>Periodicals & Publications</u>	<u>Hospitality</u>	<u>& Other Subscriptions</u>	<u>Publications (Hardcopy)</u>	
	<u>etc</u>						
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Education	-	16	-	-	-	9	25
Social Work	14	-	-	2	1	8	25
City Development	8	2	4	1	2	9	26
Leisure & Communities	11	1	5	2	1	7	27
Waste Management	3	9	-	-	-	7	19
EHTS	2	1	-	-	3	1	7
Chief Executive	-	-	-	1	1	2	4
Press Office	-	-	-	-	1	4	5
Personnel	5	1	2	-	-	-	8
Information Technology	3	1	1	-	-	-	5
Admin & Legal	2	1	3	1	2	1	10
Architectural Services	3	4	3	1	-	-	11
Finance General	2	1	1	1	-	4	9
Fairer Scotland Fund	1	-	-	-	-	-	1
Employment Unit	1	-	-	-	-	1	2
NEC Project	-	-	-	-	-	1	1
Scientific Services	1	-	-	-	-	-	1
Finance Revenues	3	1	1	-	1	2	8
Other Housing	-	1	-	-	-	1	2
Total General Fund	59	39	20	9	12	57	196
Housing Revenue Account	-	39	-	-	-	14	53
Dundee Contract Services	3	13	-	-	-	-	16
Grand Total	62	91	20	9	12	71	265